

*The Covered Electronic Waste (CEW)  
Recycling Program:  
Net Costs and Payment Rates*

A Stakeholder Workshop



May 12, 2014

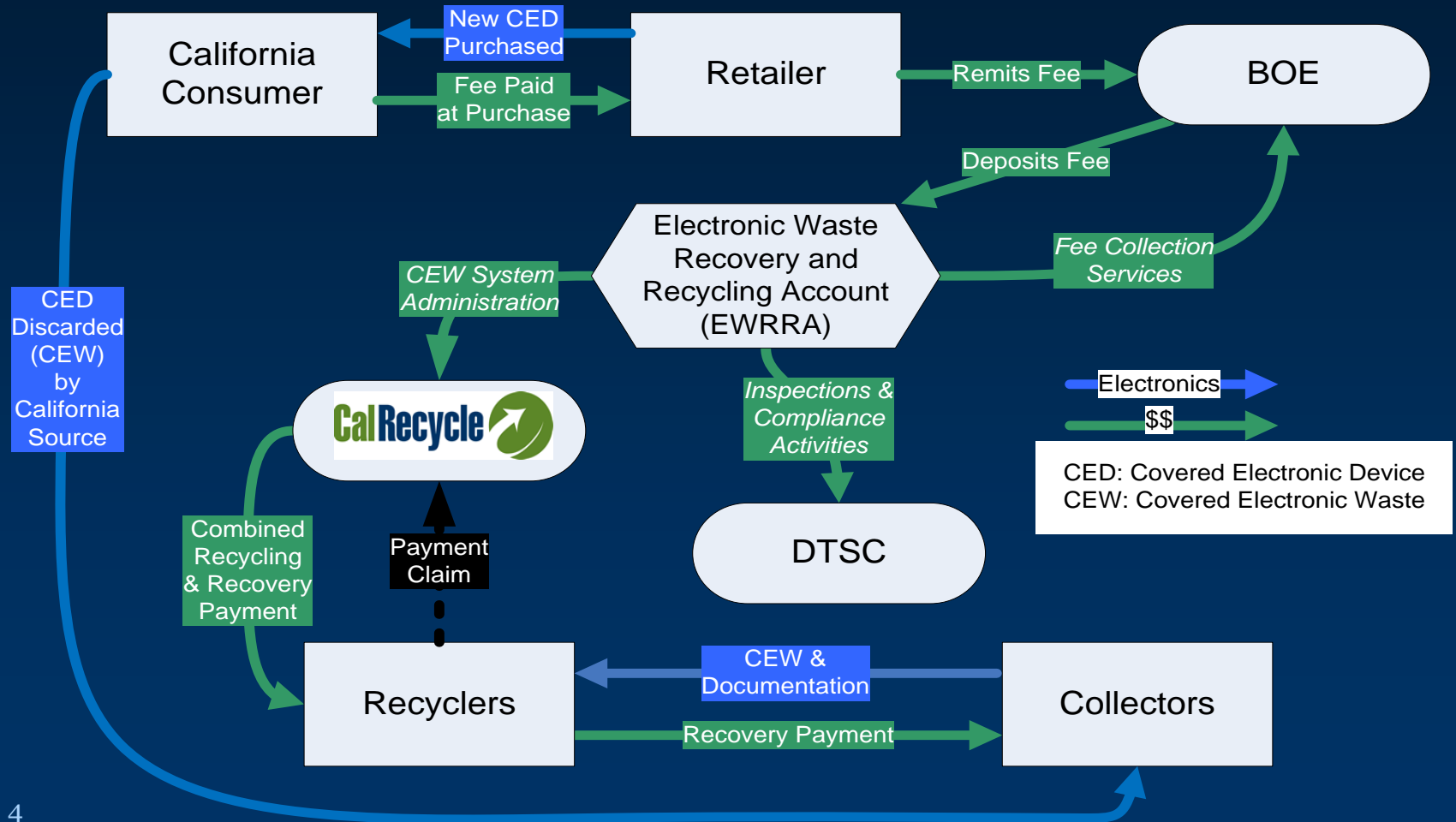
# **This workshop will cover:**

- **Review of CEW Program Basics & Stats**
- **Acknowledgement of Industry Dynamics**
- **Analysis of Net Cost Report Data**
- **Open Discussion**
- **Next Steps**

# Electronic Waste Recycling Act

- Established system to support the recovery and recycling of CEW
  - Only CEW from CA sources are eligible
  - CEW must be recycled (cancelled) in CA
  - Treatment residuals must be properly managed (i.e. CRT glass)
  - CalRecycle sets payment rates to cover average net costs of collection & recycling

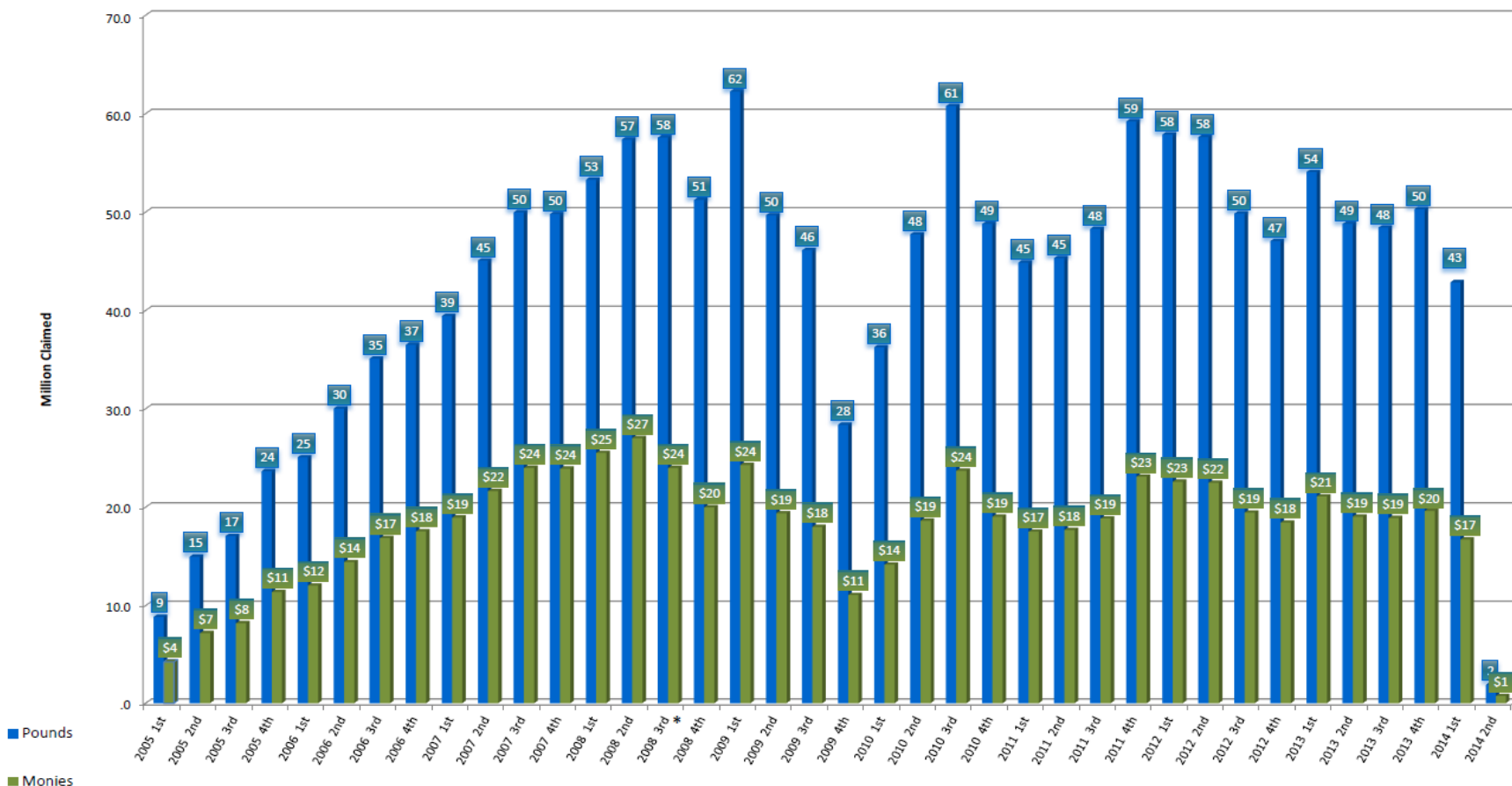
# CEW Payment System



# CEW Recycling Payment System

- >1.6 billion pounds of CEW claimed since program inception
- ~201 million pounds of CEW claimed in 2013

Quarterly Monies and Pounds Claimed  
(as of May 8, 2014)



\* Change in the standard payment rate effective 3rd quarter 2008

# Program Dynamics Today

- Concerns about longevity of residual CRT glass markets
  - CRT glass outlet options still available, but...
- Increasing amounts of non-CRT CEW
  - Not yet “major categories”; cost/value uncertainties
- Recyclers and collectors still need to be careful about who they do business with
- Commodities prices are soft, though better than dark days of 2009...

# Commodity Price Fluctuations



May 2005 to 2010

May 2009 to 2014



# Commodity Price Fluctuations

5 Year Aluminium Spot



5 Year Lead Spot





# Commodity Price Fluctuations

Electronics Recycling for Thursday May 08, 2014

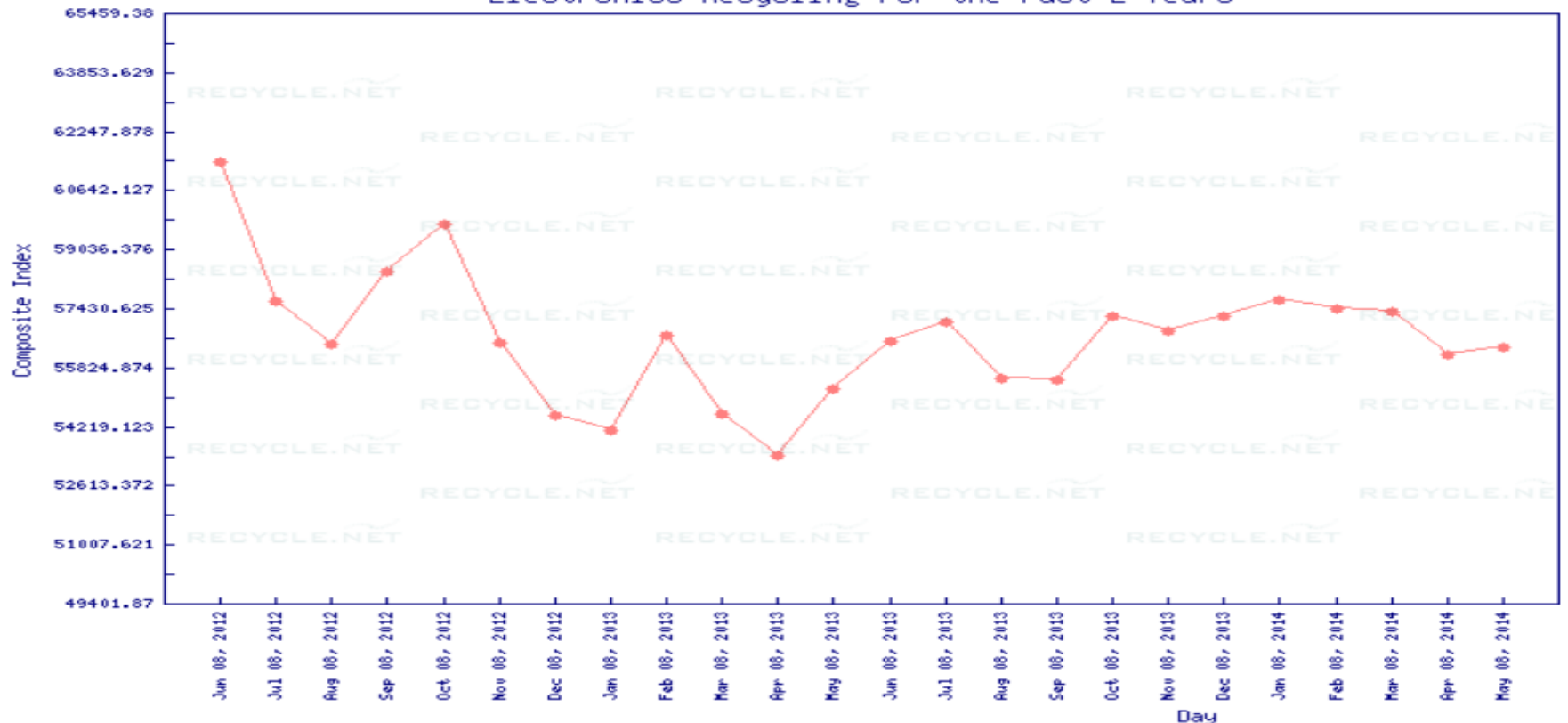
56,362.75

Change since Yesterday 98.50 ▼ 0.17%

Change over past 2 years 5,082.25 ▼ 8.27%

[7d](#) [1m](#) [3m](#) [1y](#) [2y](#)

Electronics Recycling For the Past 2 Years



# Payment Rate Considerations

- CalRecycle must establish a “payment schedule” on or before July 1, 2014
  - Rates should cover the average net cost for a collector to collect, consolidate, and transport, and for a recycler to receive, process, and recycle, covered electronic wastes
  - PRC 42477 & 42478
- Net Cost Reports inform CalRecycle
  - Report content guided by regulation

# Net Cost Reporting

- Latest report was due March 1, 2014
  - Received from 489 collectors, 41 recyclers
  - ~30 participants revoked for failing to report
- Preliminary analysis of as-reported 2013 data
  - Trend of widely varying costs continued
  - DOF validation exercise completed
    - Final evaluation still being compiled
    - Reports are challenged in cost allocations
- “Data” will require closer review...

# DRAFT 2013 Costs Calculated Using All\* Reports

Net Costs Reported for 2013 (cents per lb)		Weighted Average	Mean	Median	% of Reports < Std Pay Rate
Recovery (469)	Revenue	6.1			
	Cost	23.0			
	Net Cost	16.8	15.5	11.0	61.5%
Recycling (40)	Revenue	12.3			
	Cost	36.1			
	Net Cost	23.8	25.0	20.5	57.5%

\* Excluded reported recycling and recovery costs > \$1 and < -\$1; 1 recycler records and 18 collectors records

# DRAFT 2013 Costs Calculated Using Select\* Reports

<b>Net Costs Reported for 2013 (cents per lb)</b> (* > One Million Pounds)		Weighted Average	Mean	Median	% of Reports < Std Pay Rate
<b>Recovery</b> (46)	Revenue	4.9			
	Cost	23.9			
	Net Cost	19.0	17.3	17.0	48%
<b>Recycling</b> (20)	Revenue	12.4			
	Cost	36.2			
	Net Cost	23.8	20.8	18.5	65%

# DRAFT 2013 Costs Calculated Using Select\* Reports

<b>Net Costs Reported for 2013 (cents per lb)</b> (* > Five Million Pounds)		Weighted Average	Mean	Median	% of Reports < Std Pay Rate
<b>Recovery</b> (7)	Revenue	4.0			
	Cost	25.9			
	Net Cost	21.0	23.4	24.0	29%
<b>Recycling</b> (10)	Revenue	11.7			
	Cost	36.1			
	Net Cost	24.4	21.8	21.5	60%

## Comparison of Weighted Average Net Costs (cents per pound)

Year and Activity	2005	2006	2007	2008	2009	2010*	2011*	2012*	2013*
Recovery	17.1	16.7	14.8	16.6	14.4	15.3	15.2	17.1	16.8
Recycling	25.2	21.5	21.0	22.8	18.7	18.1	19.2	17.8	23.8
Combined	42.3	38.2	35.8	39.4	33.1	33.4	34.4	34.9	40.6

\* Excluded recycling costs > \$1 and < \$-1

# Other Considerations?

- Reconciling “average net costs” with intent of Act is not a perfect fit
  - **Payment rates based on averages do not cover everyone’s own**
    - By definition: some paid too little, some too much
  - **Weighted averages reflect entire industry’s cost**
    - Must be considered in context of scales and efficiencies
  - **Regulations allow for service charges**
- Program itself influences behaviors
- 16 • Future is uncertain...



# Open Discussion

- Thoughts about “data”?
- Insights into causes of cost flux?
- What does the near-future hold (e.g. CRT glass, non-CRT CEW, business models, certifications, etc)?

# Upcoming Actions

Stakeholder Meeting June 11, 2014

CalRecycle Monthly June 17, 2014

Before July 1, 2014...

- **CalRecycle must determine if any payment rate adjustment is warranted**
- **Timing of any adjustment is not yet clear**
  - Changes were phased in 2008

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**[www.calrecycle.ca.gov](http://www.calrecycle.ca.gov)**